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## The College Cost Reduction & Access Act

### Key Features:

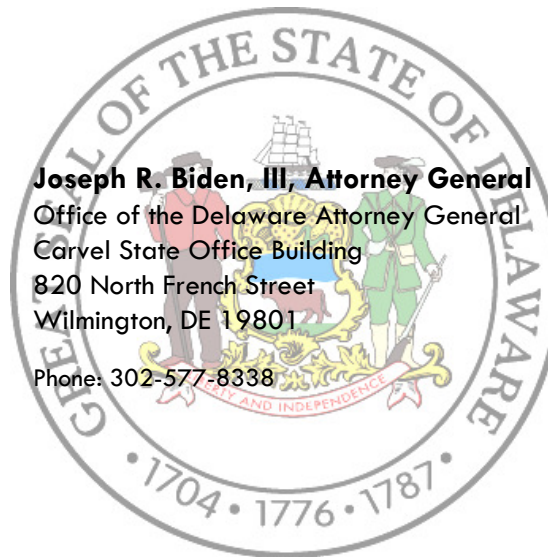
- Effective July 1, 2008, borrowers may consolidate any outstanding Federal Family Education Loan (FFEL) into the Direct Loan Program to take advantage of the public service forgiveness program.
- The public service forgiveness program cancels the remaining balance on any Federal Direct loan for a borrower who makes 120 payments, beginning after October 1, 2007, while employed in a qualifying public service field.
- Effective July 1, 2009, Income Based Repayment (IBR) will adjust the required monthly payment amount to 15% of discretionary income—calculated as 150% of the poverty line applicable to the borrower's family's size.
- Reduces period for public service loan forgiveness from 25 to 10 years.
- All payments made while employed in qualifying public service field are credited towards the 120 payment requirement—payments do not need to be made continuously and can reflect a break in public service.

### For More Information:

***U.S. Department of Education***  
1-800-4-FED-AID (1-800-433-3243)

*Also Contact Your Specific Loan  
Servicing Entity.*

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## Making a Career in Public Service Attainable

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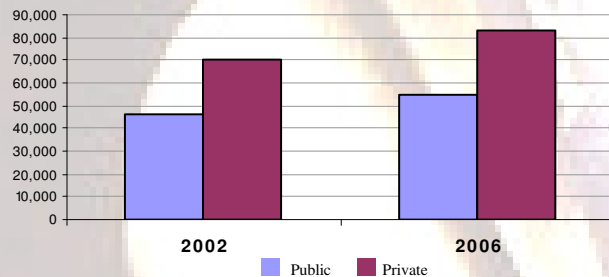
**The College Cost  
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# Enhancing the Route to a Rewarding Career

## Growing Law School Debt

With more than 80% of law students borrowing to finance their legal educations, many of today's law school graduates are faced with educational debt in excess of \$80,000 upon graduation. For 2006, the average accumulated debt load was \$54,509 for public law school graduates and \$83,181 for those attending private law schools. In addition, many of these students carry debt from undergraduate studies, pushing their debts into six figures.



## Strain of Debt on Public Service Career Path

With the median starting public interest legal salary ranging from \$36,000 to \$44,000, these mortgage-size debts bar most law school graduates from pursuing public service legal jobs. Among those graduates who do take such positions, many—when faced with major life decisions such as starting a family—are forced to reconsider their commitment to public service.

## A New Paradigm for Careers in Public Service

Signed into law on September 27, 2007, the College Cost Reduction and Access Act of 2007 (Public Law No. 110-84) aims to alleviate the burden of loan repayment on public service employees in order to encourage the pursuit of such careers by high-debt/low income graduates. The program creates incentives for borrowers to seek and remain in public service fields and provides a mechanism to alleviate some of the financial burdens faced by those choosing this path. The program is available to all full-time employees of the Office of the Attorney General.

## Income Based Repayment Option

Effective July 1, 2009, the Act creates a new option for borrowers to repay their educational debt under an Income-Based Repayment (IBR) calculation.

- IBR requires a lower percentage of discretionary income to be allocated towards repayment than the current Income-Contingent Repayment (ICR) program.
- The maximum repayment rate for a borrower facing partial economic hardship would be 15% of their discretionary household income—calculated as the borrower's adjusted gross family income minus 150% of the federal poverty level.

## Accelerated Forgiveness for Public Service

### Employment

Effective October 1, 2007, the Act includes a loan forgiveness plan where borrowers employed in a qualifying "public service job" will be eligible to have the balance of the interest and principal due on their student loans cancelled.

- After making 120 monthly payments while in qualified public sector employment, the entire balance of remaining eligible educational loans is eligible for forgiveness.
- The 10 year service requirement does not need to be continuous; however, only monthly payments made while in a qualifying position will count toward forgiveness and the borrower must be in a qualifying position when seeking forgiveness.

### Eligibility

While the new provisions for IBR are available to all borrowers, only those who are employed in a qualifying public service profession while making the required 120 payments can seek forgiveness.

Qualifying "public service jobs" include full-time positions in the areas of:

- Government
- Public Safety
- Law Enforcement
- Public Interest Law Services, including:
  - Prosecution
  - Public Defense